



## **PRESS STATEMENT**

### **NCTO supports President Trump's announced plan to impose a 10% tariff on \$300B of Chinese imports**

August 1, 2019

WASHINGTON, DC – The National Council of Textile Organizations (NCTO), representing the full spectrum of U.S. textiles from fiber through finished sewn products, welcomes President Trump's announcement today that he will impose a 10% tariff on the remaining \$300 billion of imports from China on September 1.

The U.S. textile industry has long supported the administration's efforts to crack down on China's abuse of intellectual property rights through the use of the Section 301 mechanism, while also calling on the administration to include finished apparel and home furnishings in any retaliatory tariffs against China.

Chinese imports of finished goods into the U.S. market, which have had the most significant impact and disruption on domestic textile and apparel production, investment and jobs, will finally be included in the administration's retaliatory tariffs.

"China's rampant abuse of intellectual property rights and IP theft has gone on far too long at the direct expense of the U.S. textile industry and its supply chain, resulting in the loss of U.S. manufacturing jobs in this critical sector," said NCTO President and CEO Kim Glas.

"We have long encouraged the administration to include finished products on the tariff list, given China's rampant intellectual property abuses and the significant impact it has had on our sector."

Underscoring the penetration by China into the U.S. market, finished apparel, home furnishings and other made-up textile goods equate to 93.5 percent of U.S. imports from China in our sector, while fiber, yarn and fabric imports from China only represent 6.5 percent.

“We believe this move will lead to more re-shoring of production to the United States and the Western Hemisphere production platform—and will also address and mitigate China’s rampant trade distortions,” Glas said.

While we support the inclusion of finished products in Tranche 4 of the retaliatory tariffs, our industry has very serious concerns that certain inputs already vetted by the administration and removed from previous retaliatory tariff lists are on this list. These inputs include but are not limited to: machinery, dyes and chemicals and textile components not available domestically, like rayon staple fiber.

Lastly, we are continuing to urge the administration to apply the 301 retaliatory tariffs to de minimis shipments below \$800, which are not currently subject to the tariffs. The administration should close this substantial loophole as part of its efforts to address China’s unfair trade practices.

NCTO is a Washington, DC-based trade association that represents domestic textile manufacturers, including artificial and synthetic filament and fiber producers.

- U.S. employment in the textile supply chain was 594,147 in 2018.
- The value of shipments for U.S. textiles and apparel was \$76.8 billion in 2018.
- U.S. exports of fiber, textiles and apparel were \$30.1 billion in 2018.
- Capital expenditures for textile and apparel production totaled \$2.0 billion in 2017, the last year for which data is available.

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